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PRESENT RELATIONS WITH INDIA

by Loy W. Henderson, American Ambassador to India

Ambassador Loy Henderson addressed the Foreign Relations Society at New Delhi on December 23, 1949. One of the aims as expressed by that society is the promotion of "good will and friendly relations, good understanding and cooperation in political, economic, and cultural affairs between all countries of the world." Ambassador Henderson continued his address as follows:

Where there is initial good will and sincere mutual effort, friendly relations are likely to follow. Friendly relations are the main channel to good understanding between peoples or nations that facilitates cooperation, provided, of course, the attainment of understanding does not reveal evil intent.

Mutual Understanding

Good will already exists between our countries. In fact, one of the most striking similarities between Indians and Americans is that the cultural heritage of both prompts them in general to approach the world in a spirit of good will. Both peoples are inclined to reject philosophies which in essence or in method of propagation are based on hatreds. Both are prone to take it for granted that other peoples are also motivated by kindness and good will and are shocked and disappointed when their friendly overtures, either as nations or as individuals, are met by rebuffs or indifference. It is true that from time to time certain elements in each of our countries make efforts to arouse animosities, unduly to stress or to magnify real or imaginary national faults or weaknesses in the other, and maliciously to misinterpret the intentions of the others. Fortunately, these elements are not representative and are in the minority.

Our mutual good will facilitates the maintenance of the kind of friendly relations between us which are advantageous not only to India and the United States but to the whole community of nations. One of the tests of the genuine friendliness of relations between peoples or governments is the ability of both partners to maintain such relationship without rancor, to discuss and analyze among themselves fancied or real divergencies in views or policies, and thus to discover and isolate the factors responsible for such divergencies as are found actually to exist. Although such friendly relations have been established between our governments and between our peoples, we cannot afford to slacken our joint efforts to deepen and broaden them. This we can do by continuing to promote better understanding and closer cooperation.

Prime Minister's Visit Promotes Friendship

One of the purposes of meetings of this kind is the furtherance of good understanding between our respective countries. During recent months, notable progress has been made in this direction. The visit of your Prime Minister has done much to bring about in the United States a better understanding of Indian political, economic, and cultural policies and conditions. It has strengthened the realization of millions of Americans that the new independent India is already becoming a vibrant factor in world affairs and that, although there may be superficial differences in customs and manners, they have much in common with the people of India, including a similar individual and national sense of morality, an earnest desire for social justice, and a craving for civil liberties.

The visit of the Prime Minister also helped to demonstrate the need for strengthening our understanding of each other. I have been somewhat impressed, for instance, at the lack of understanding of the United States Government and people exhibited by certain elements in India which seemed to have a genuine apprehension lest the United States take advantage of the presence of its distinguished guest to try to prevail upon the Government of India to alter various of its foreign or domestic policies. This apprehension was apparently so deep that your Prime Minister has found it necessary on a number of occasions to deny that while in the United States he had entered into any kind of a secret deal or had made any agreement behind the scenes.

On behalf of the United States, I would like to add to these statements of the Prime Minister that, in inviting him to be its guest, there had never been any intention on the part of my Government to abuse its hospitality by endeavoring to persuade him that India should alter any of its policies or should form any ties or make any commitments, and I can state unequivocally that neither directly nor indirectly while your Prime Minister was in the United States was such an endeavor made. Anyone who really understands the American people would realize how distasteful it would have been to them for their government to take so unfair an advantage of a guest. . . .

Combating Communism

There seems to be a feeling among some of my Indian friends that the United States is devoting too much of its means and energies to combating communism. The fact is that the people of the United States do not conceive that their efforts are directed to the combating of a mere ideology. It is their belief that they are earnestly striving to eliminate aggression among nations and to discourage the deprivation by force of the liberty of peaceful peoples and the imposition upon them of a way of life repugnant to them. We have learned from sad experience that if peoples of good will interested in the maintenance of world peace remain inert while aggressors overpower one by one their weaker neighbors, a situation is almost certain to develop which will lead to wars even more disastrous than those which have taken place during the first half of this century. We are doing our best to discourage aggression be-

cause we are convinced that if we do not, it will run amuck and destroy the peaceful world structure which all nations of good will are striving to improve and strengthen.

We realize that in the present world there are many gross imperfections. It is our belief that with patience, perseverance, and international good will the nations of the world, individually and in cooperation, can in an orderly fashion eliminate most of these imperfections. We are addressing ourselves to this task. In the meantime, however, we believe that we must do our share to protect what has already been built from destruction by aggression and to prevent the reduction of a fairly orderly world to chaos.

The "Power Bloc" and Cooperative Action

In this connection, there is noticeable in certain circles of India what seems to us to be another fallacy—another fancied divergency between the policies of the United States and those of India.

Some of my Indian friends have expressed this to me somewhat as follows: The world is divided into two great power blocs in one of which the United States is a prominent member. According to them, these two blocs are engaged in a cold war with each other and the members of these blocs, in making decisions in international affairs, are inclined not to consider the moral aspects of each problem but rather to give weight to the influence which their decisions might have upon their success in the conduct of this cold warfare. India, on the other hand, so my friends emphasize, refrains from alining herself with either of these two power blocs and decides each question relating to international issues on its merits. My Indian friends seem to believe that whereas the interested combatants of the cold war, such as the United States, are concentrated on preparation for actual warfare, India is devoting its attention to improving the lot of the common man.

We Americans feel that such a divergence in the policies of the United States and India does not really exist. The idea that there is such a divergence seems to us to be based upon a misunderstanding of what the United States is trying to do and is doing and upon the hopes and ideals of the American people themselves.

We do not consider that the United States adheres to what we could call a "power bloc." It is true that the United States looks toward other members of good will of the United Nations for

cooperation in discouraging aggression. It seeks this cooperation, however, in the spirit of the Charter of the United Nations in order to strengthen the principles on which the United Nations itself is based. Only if the term, "power bloc," could be defined to mean the cooperation of nations of good will for the purpose of discouraging aggression could the United States from our point of view be said to belong to such a bloc. I wonder, however, if our Indian friends really in the back of their minds place a group of nations cooperating to discourage aggression on the same level as nations welded together for aggressive purposes.

I should also like to stress that, from the American point of view, the United States follows a policy identical with that espoused by our Indian friends; namely, the making of decisions with regard to international problems on the merits of each problem. The people of the United States would never permit their Government to make immoral international decisions merely in order to strengthen their Government's position in a cold war. Furthermore, the strength of the cooperative opposition to aggression is derived largely from the fact that it bases itself on the principles of the United Nations Charter, and the failure of the United States or any nation cooperating with it to live up to these principles merely in order to gain a temporary advantage in a cold war would be shortsighted, indeed. In fact, the kind of a decision which from our point of view would be most immoral would be for the United States, in an endeavor to come to terms with aggressors, to agree to leave small and defenseless nations to their mercy. It would be not only immoral but foolish since the guilty and uneasy peace which might follow would in any event be short-lived.

Most Americans believe that both India and the United States are really trying to make decisions on the basis of merit with regard to each international problem as it arises. You may well ask how, if their belief is correct, there are at times divergencies in the international decisions made by our respective countries. The answer would seem to be that, even though both countries may be endeavoring to uphold the same principles, there may be honest differences in the weighing and interpretation of all the facts involved. Certain facts may seem much more important to one of us in view of its international position and historical background than to the other. Never-

theless, differences of this kind should not cause one of us to impugn the motives or the morals of the other.

Relieving World Distress

Few Americans would accept the thesis that the United States is more interested in preparing for war than in relieving the distress of suffering people throughout the world. They do not see how anyone who makes a really serious study of what has taken place since 1945 can fail to realize that never before in history has any country opened its stores and its coffers to assist suffering peoples in other countries to a greater extent than has the United States. Since the termination of the war, it has added many billions of dollars to its already huge national indebtedness and has made inroads on its natural resources in order to assist other peoples, and it is still doing so. Much of this assistance has been in the form of food, clothing, shelter, and medicines, some of which at the time of their export were badly needed in the United States itself. In spite of the highest taxes and public debt in our history, we are still contributing to the welfare of other peoples either directly or through a number of international organizations.

It must be remembered, however, that the wealth and resources of the United States are not inexhaustible. It has been impossible for the United States to meet simultaneously the crying needs which exist in nearly every quarter of the world. Its inability to do so unfortunately results at times in bitter criticism and lack of appreciation of what it has done and is trying to do. In view of this inability, it has been compelled to allocate its available resources where, in its opinion, they would be most effective in attaining the objective of bringing about a stable, prosperous, and progressive world society. The judgment displayed in the making of these allocations may be open to question but certainly not the motives.

Responsibilities of Peace

The American people have not limited the expression of their interest in other peoples merely to the extension of economic assistance. In the forum of the United Nations and through diplomatic and other channels, the United States has been consistently trying to aid peoples whose liberties are being threatened or who are seeking a fuller degree of self-government.

In giving this assistance, we have tried to

bear in mind that overhasty and dramatic action sometimes results in more suffering than benefit to those whom we are trying to help. The heavy responsibilities which have been imposed upon us impel us not to forget that human progress is achieved by constructive not by destructive methods.

We have, therefore, endeavored to prevent international situations from developing in a manner which would be conducive to violence and disorder and would increase rather than decrease human unhappiness. I feel confident that the majority of the people of India who are keeping themselves informed with regard to world events do not believe that the United States is indifferent to the welfare of peoples within or outside its confines.

No peoples more than the Americans, themselves, deplore the fact that the United States finds it necessary to utilize so much of its energies and resources for military purposes. A careful study of our history, particularly that of the last 50 years, should make it clear that we are inherently a peaceful people and that we have consistently struggled for the maintenance of world peace. The last two world wars found us unprepared. Other nations, therefore, had to bear the brunt of aggression until we could mobilize our material and human forces for their assistance. Until it becomes clear that there is no serious threat to world peace from any quarter, we do not feel that it would be fair to the American people or to other people of good will for us to be totally unprepared for that which we fervently hope will not take place. An examination of our military preparedness must show, however, that it is entirely of a defensive nature. Our hand is outstretched in friendship to all nations of the world which are willing without reservation to abandon force as a means of the carrying out of national policies and to refrain from engaging in activities designed to stir up hatreds and disrupt the peace.

National Problems in International Affairs

Please do not obtain the impression that, in thus endeavoring to explain some of the policies of my country, I am critical of the position in international affairs taken by India or any other country of good will. Each of these countries face certain conditions, within and without, peculiar to itself which must determine the extent and character of its opposition to aggression against countries other

than itself, and international cooperation can best be furthered if the people of each country of good will strive to understand the peculiar conditions which are responsible for the policies of the others.

My endeavor at this time to clarify some of the policies of the United States is prompted in part by the expressions of surprise on the part of so many of my countrymen visiting India at the lack of understanding which they find even among high-minded and good-intentioned Indians with respect to what the United States is doing and trying to do. I would be derelict in the carrying out of what I consider to be one of my most important duties—namely, the promotion of fuller understanding between our two countries—if I did not make an effort at least to give to you the American point of view.

U. S.—Indian Ideals

It is impossible to enlarge here upon the clarifications which I have attempted or to touch upon various other misunderstandings with regard to the United States which exist here. Instead, I shall dwell for a few minutes on the cooperation between our two countries which is promoting understanding between us and strengthening our friendship. This cooperation is manifested in many forms. It is in fact so common that both the United States and India unconsciously take it for granted. We are sometimes inclined, therefore, to devote an undue amount of attention to the comparatively few instances in which we assume different positions with regard to world problems. Anyone who examines the records of the international conferences attended by both the United States and India since India attained independence cannot but be impressed by the similarity of our approach to most of the matters considered at such conferences. This similarity is not the result, of course, of any agreement between the United States and India or of any formal or informal ties. It exists because of the similarity of ideals and of sense of morality. I am convinced that so long as there exists no barrier, artificial or otherwise, which prevents our two peoples from discussing frankly with each other their views on all kinds of problems in human relationship, and so long as we do not permit the venom of hatreds to replace the springs of good will, the paths which we shall pursue into the future will continue to be more or less parallel. It is extremely important to the peace and welfare of future humanity that they shall not wander too far from one another.

PROBLEMS IN ACHIEVING A STABLE TIN INDUSTRY

Background for the Fifth Meeting of the International Tin Study Group

by C. W. Nichols

Concern over an inadequacy of supplies of tin has been relieved during the past year but has been superseded by some apprehension that a burdensome surplus may be in prospect.

The fifth meeting of the International Tin Study Group is scheduled for March 1950. Consideration will be given to the need for international regulation of trade in tin and the form which such regulation might take. In preparation for this meeting, member governments have received from a working party of the Study Group a statement on the position and prospects of the tin industry and a draft of a control agreement.

Some producing interests have urged that an early conference should be held under United Nations auspices for the negotiation of an intergovernmental control agreement which would seek to avert conditions of excessive market instability and insure other objectives in the world tin situation.

These proposals give current interest to a review of prewar regulation in tin; an examination of the situation in the tin industry; and consideration of some problems inherent in the question of international control.

Basic Features of the Tin Industry

Tin is mined principally in three regions of the world: Southeast Asia, Bolivia, and Africa. For many years the bulk of the world production of tin ore has been obtained from Malaya, Indonesia, Bolivia, the Belgian Congo, and Nigeria.

Consumption of tin in the principal tin-mining

areas is very small. The United States, the United Kingdom, and Europe account for the bulk of world consumption. The largest single use of tin metal is in tin plate. Other major uses include solder, babbitt, bronze, foil, collapsible tubes, and chemicals. Notwithstanding some possibilities for conservation and substitution, tin is an essential material for an industrialized economy in time of peace or war. Variations in the price of tin have a comparatively slight effect upon the volume of tin consumption in the short run.

World requirements for tin over a long period have shown rapid and substantial fluctuations. The average rate of long-time growth in world demand however, has been substantially less than that for such metals as steel, copper, zinc, and aluminum. During the inter-war period, tin mining was mechanized to a great and increasing extent; productive capacity increased substantially; and the basic tendency of tin prices was toward a high degree of instability. Pronounced fluctuations in the price of tin caused considerable concern to users, particularly those normally carrying sizable inventories or contracting for future delivery of tin-bearing manufactures, and much more concern to the tin-mining regions whose over-all economy was so largely affected by conditions in this one industry.

Past Regulation of Tin

During the 1920's and 1930's, the producers or the producing countries made numerous attempts to achieve a degree of stability in the price of tin

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by regulating output and by operating buffer stocks.

The first attempt toward control was the Bandoeng Pool of 1921, which was liquidated in 1924. After the onset of world depression in 1929, a voluntary program of production restriction was undertaken by a number of producers in 1930. This step was not sufficiently effective, and the principal producers turned to their governments in 1931 to administer and enforce a regulation of tin output.

The resulting intergovernmental program was implemented in three agreements applicable, respectively, to the periods 1931-33, 1934-36, and 1937-41. A fourth agreement was signed for the period 1942-46 but never came into operation because of war conditions. The objectives of these agreements, as described in the third agreement, were "... adjusting production to consumption; preventing rapid and severe oscillations of prices; and maintaining reasonable stocks." The regulation of output under these agreements was administered through the International Tin Committee which was composed of representatives of tin-producing countries which participated. The Committee fixed periodically a quota for a coming period (3 months or 6 months) in terms of percentage to be applied to the standard tonnages of the participating countries. The standard tonnage figures were based initially upon the actual production of each participating country in 1929 but were subsequently adjusted.

In the first agreement, the participating countries were Malaya, Bolivia, Indonesia, and Nigeria, which together in 1929 had produced 92 percent of world output. Later adherents were Thailand 1931, Belgian Congo 1934, French Indochina 1934, and during 1934-36, Cornwall, and Portugal. Some of these adherents were granted minimum quotas or flat tonnage rates. The Belgian Congo received a standard tonnage which increased steadily each year. Other producing countries (China, Burma, Japan, Australia, etc.) remained outside the agreement.

A buffer stock was found to be a necessary adjunct to a control scheme and in 1931 an international tin pool was formed by British and Dutch groups, which accumulated a total of 21,000 tons in 1931 and released them slowly in 1932-34 at a fairly stable price, and prices showed greater stability than for a very long period.

A short-lived buffer stock operated from May-

PRESENT MEMBERSHIP

Australia	Canada	Netherlands
Belgium	China	Thailand
Bolivia	Czechoslovakia	United Kingdom
British Colonial and Dependent Territories	France India	United States
	Italy	

September, 1935, and prices during its life showed a degree of stability (daily quotations from £209 to £245 per long ton, monthly averages from £223 to £228).

During 1936-38, regulation continued, but an effective buffer stock operated only from the latter part of 1938. During those 3 years, prices showed marked fluctuations (highest daily price in 1937 £311; lowest daily price in 1938, £153). The regulation scheme did not seem to be able by itself to correct the effects of sudden movements in consumption. The participating countries set up, therefore, the 1938 buffer-stock agreement as an adjunct to the regulating scheme. Its objects were "to reduce the large price ranges that have occurred in the past to narrower limits" and "to maintain a price per ton ranging between £200 and £230." The signatory countries contributed, between August 1938, and July 1939, 15,512 tons to the stock, raised by a special quota of production fixed by the International Tin Committee. The buffer stock operated effectively and played a part in meeting the immediate war demand at around £230 a ton on the London market in September 1939. At the same time, the price in New York had risen to 65 cents per pound or around £360 a ton.

In and after 1937, provision was made for a consumers' advisory panel which was invited to attend meetings of the International Tin Committee and to tender advice regarding world stocks and consumption. Under the provisions of the third regulation agreement, representatives of consumer interests attended meetings of the Committee during the period 1937-41. The regulation program was inactive during the war and the International Tin Committee was dissolved at the end of 1946.

The International Tin Study Group

Recognizing the extent of international interest in tin, the United Kingdom Government invited other interested governments to a World Tin Conference which was held in London during October 1946. This conference recommended the establish-

ment of an International Tin Study Group which held its first meeting at Brussels in April 1947.

The terms of reference of the Study Group provided that "the membership of the Group shall be open to all countries principally interested in the production, consumption or trade in tin." Other provisions in the terms of reference include the following: the Group shall meet periodically for discussion of common problems in tin; shall be free to make studies of the world tin position, having regard to the desirability of providing continuous accurate information regarding the supply and demand position and its probable development; shall consider possible solutions to problems which are unlikely to be solved by the ordinary development of world trade in tin; shall arrange for the collection of necessary statistics; shall maintain a secretariat; and may formulate and transmit recommendations to the participating governments.

The second meeting of the Study Group, held in Washington in April 1948, reviewed the world tin situation in the light of changes since the Brussels meeting and examined the statistical position regarding production, consumption, and stocks of tin throughout the world. The Group also discussed the question of an intergovernmental tin agreement. It was agreed to recommend to member governments the setting up of a working party to examine the appropriateness and practicability of framing an intergovernmental agreement on tin, conforming to the principles of the charter for an International Trade Organization.

This working party met in The Hague in June 1948 and reported that it would be appropriate and practicable to conclude an international tin agreement incorporating the principles which its report set forth in some detail.

This report was considered at the third meeting of the Group at The Hague in October 1948. The proposals in the report were modified in certain respects; and the group forwarded to member governments a recommendation that, after certain preparatory steps had been taken, the member governments should be asked whether they were willing to attend a conference to put the agreement into final form and to conclude it. If a sufficient number of affirmative replies were received, the United Nations was to be asked to convene an intergovernmental commodity conference on tin.

A Drafting Committee of the Group met in Washington in December 1948, and a draft international tin agreement was prepared and circulated to all members.

The replies in the spring of 1949 indicated that the summoning of an international commodity conference on tin was not considered timely and no approach was made to the United Nations.

The fourth meeting of the Group met at London during June 1949. The estimates of future production and consumption made at the meeting indicated an existing and growing excess of production for commercial consumption (i.e., exclusive of purchases for noncommercial, strategic stock piling purposes). The Group considered that a burdensome surplus of the kind which could be regarded as justifying the conclusion of an international commodity control agreement might well arise within the next 5 years. The Group set up a working party, open to all member governments, with instructions to prepare a statement on the position and prospects of the tin industry which would serve as a basis for member governments to decide whether they should ask for an international commodity conference to be convened by the United Nations. The working party was also instructed to prepare a draft of a commodity control agreement which might be considered at such a conference.

The working party meeting at The Hague from October 26–November 2, 1949, prepared the statement and the draft agreement and then submitted them to the member governments. The Study Group will consider these documents at its next meeting. It is expected that the Study Group will decide whether a formal recommendation should be made for the calling of a commodity conference to negotiate a control agreement.

Some Factors in the Current Situation of the Industry

The tin production of Bolivia, the Belgian Congo, and Nigeria was pressed at a high rate during the war and subsequent production in those areas has been largely maintained. In Southeast Asia, productive capacity has been progressively rehabilitated since the war and programs of re-equipment are continuing. World production of primary tin in 1949 has recently been estimated at approximately 160,000 long tons, as compared with consumption estimated at approximately 115,000 long tons. The aggregate of world stocks

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which are considered to be commercial is unusually large, being in excess of annual consumption at the present rate. These accumulations have not been prevented by noncommercial "strategic stock piling" purchases. Such purchases in substantial quantities may continue for some time, but the rate and duration cannot be accurately predicted.

Some rehabilitation and expansion of tin mining capacity, begun during the scarcity of the post-war period but not yet advanced to the stage of actual production, is proceeding despite the current statistical position, the unexpectedly low level of recent consumption, and the decline in the price of tin which began late in 1949.

These factors in the situation have given rise to some apprehension of an imminent burdensome surplus and of consequent severe economic difficulties which might have widespread social and political repercussions in areas where tin mining is the mainstay of the economy and alternative opportunities are relatively limited and slow to develop.

For these reasons several representatives on the recent working party meeting advocated a control agreement for tin on the reasoning that it is necessary for supplies to be adjusted to demand at a price level high enough to justify necessary replacement investment in productive facilities. It was argued that this would avoid serious hardships to producing interests over the near term and would avoid prejudice of consumers' interests over a longer term by assuring future availability of adequate supplies.

Problems Inherent in International Regulation

Any international agreement in the field of tin control would have to conform to certain guiding principles that have been determined internationally as being essential if the serious faults and inequities of the prewar commodity agreements are to be avoided. In addition, it would have to solve a number of difficulties that are particularly associated with the economic characteristics of tin itself.

The United States and other governments which are parties to the General Agreement on Tariffs and Trade have agreed to be guided, to the fullest extent of their executive authority, by the general principles of the Habana charter. This means that, in their approach to any proposed commodity agreement, they will be guided by the principles of chapter 6 of that charter. In accordance with

those principles, a commodity control agreement may be entered into only when a finding has been made that there has developed or is expected to develop a burdensome surplus, or widespread unemployment, which in the absence of specific governmental action, would not be corrected by normal market forces in time to prevent serious hardship to producers or workers.

A control agreement which is not precluded by the general limitation in the Habana charter must, however, also satisfy other specific requirements in chapter 4 of the charter. Such an agreement would be very different from the intergovernmental regulation programs which were administered through the International Tin Committee. The Habana charter provides that commodity control agreements shall be open to wide participation by interested governments; that provision shall be made for adequate participation of countries substantially interested in importation or consumption as well as countries interested in exportation or production; and that full publicity shall be given to the development and operation of the agreement.

Two important requirements of the Habana charter are set forth in article 63, paragraphs (c) and (d). Article 63 (c) provides that

Such agreements shall make appropriate provision to afford increasing opportunities for satisfying national consumption and world market requirements from sources from which such requirements can be supplied in the most effective and economic manner, due regard being had to the need for preventing serious economic and social dislocation and to the position of producing areas suffering from abnormal disabilities.

and article 63 (d) provides that

Participating countries shall formulate and adopt programs of internal economic adjustment believed to be adequate to ensure as much progress as practicable within the duration of the agreement towards solution of the commodity problem involved.

Other provisions in chapter 4 of the charter require that an equal number of votes shall be assigned to importing and exporting countries, that the agreement shall be designed to assure availability of adequate supplies at all times and that the maximum term of such an agreement shall be 5 years, with any renewal subject to the same determinations as are required at the outset.

Besides these and other provisions that must be included in order to comply with the principles of the Habana charter, any commodity control agreement must necessarily include the answers to

a number of other difficult problems. Among the most fundamental of these is the determination of whether the agreement shall contain provisions directly related to the price of the commodity or whether the price shall be permitted to find its own level, though influenced by other provisions of the agreement. The question then arises as to whether prices should be determined from time to time by negotiation among the members or whether the agreement should seek to determine a price objective, such as a longer range equilibrium level.

Related to the question of price is the determination as to whether provisions should be made for a buffer-stock operation.

Subsidiary questions which would have to be settled in any agreement relate to such matters as the distribution of votes among the various importing and exporting countries, the treatment to be accorded nonparticipating countries and provisions relating to the withdrawal of participants or termination of the agreement before its expiration.

Some Special Considerations Involved in International Tin Control

Certain factors particularly applicable to tin and to the position of the United States in the world tin markets would have to be considered in connection with any international agreement for the control of tin. Some of these factors have been already mentioned.

Both the supply and the demand for tin are characteristically unresponsive to changes in price. Because of the relatively small amounts of tin required in proportion to other materials in tin-bearing manufactures, the consumption of tin does not increase readily in response to price declines. Similarly the large investment required for productive facilities and the heavy dependence of the most important producing areas on tin production as a means of livelihood and government revenue result in a similar inelasticity of supply. That is, production tends to be maintained even though prices fall. Not only have these conditions exaggerated the fluctuations in tin prices in the past but they have also increased the difficulty of achieving a rational adjustment of the industry to changed conditions.

A particular difficulty in the case of tin arises from the fact that international trade has only very recently been freed from wartime controls

and that a fairly long history of international control, on the prewar plan, ended only with the outbreak of the war. Thus, the world is experiencing comparatively free market conditions in tin for the first time in nearly 20 years and has no recent experience by which to judge the "equilibrium price" at which the demand and supply of tin might be considered to be in reasonable balance.

The most direct interest of the United States in tin is determined by its position as the most important consuming country, with virtually no primary production. Although it is in the interest of the United States that tin should be available at reasonable prices, it is also important that it be continuously available in adequate quantities. The significance of tin supplies during the recent war emphasizes the dependence of this country on supplies of tin both for civilian and military consumption.

The United States also has an interest as a producer of tin metal and a consumer of tin ore. The Texas City smelter is being maintained in operation by the United States Government at this time for reasons of national security, and the continued availability of ore for the smelter is a factor not only in the current strategic stockpile program but in any future emergency.

The United States also has an interest in economic conditions in the producing countries. The very high dependence of such areas as Malaya, Indonesia, and Bolivia on tin production and the difficulty of finding alternative employment for mine labor in those areas makes them particularly vulnerable to any serious drop in the price of tin. This sensitivity is a factor of importance to the United States for both economic and political reasons. The same considerations, however, underline the importance of avoiding the establishment of any uneconomic pattern of production or trade that might store up greater trouble for the future.

Any tin control agreement that would conform to the principles of the Habana charter would necessarily avoid many of the more controversial features of tin control arrangements operated by producing countries during the 1920's and '30's. Nevertheless the many factors that contribute to the difficulty of achieving satisfactory stability in the tin industry and tin markets lend exceptional importance and interest to the question scheduled for consideration by the fifth meeting of the International Tin Study Group.

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Future World Must See Close Association of Free Nations

The need for closer association in the free world would exist even if the Soviet Union did not was pointed out to the American Political Science Association, at its meeting in New York on December 29, by Theodore C. Achilles, Director of the Office of Western European Affairs.¹ Present-day problems cannot adequately be dealt with in any other way. The existence and policies of the Soviet system merely make the need for closer association elsewhere more urgent.

Calling attention to the fact that the Soviet Union has been extremely active in integrating Eastern Europe and parts of the Far East, Mr. Achilles pointed out that the integration has been dictated from Moscow under methods which are a combination of ideological and military and political conquest, the methods of Genghis Khan brought up to date.

Mr. Achilles enumerated four points for attention: The first, that new answers are necessary and that when the right ones are found, they will be found to be practicable; the second, that, while efforts on both the universal and on a more limited basis are necessary, progress toward our ultimate goal may be made more rapidly in many fields by building outward, by limited practicable steps, from small nuclei than by attempting to build all at once on a universal basis; the third, that Europe is seeking, and clearly recognizes the need for, new measures of closer international association and that these measures, while essential, are not enough if taken in a purely European framework; and the fourth, that the matter of primary importance to this country is how developments elsewhere affect us and what we are prepared to do about it.

The development of the North Atlantic Treaty illustrates the application of these four points in the security field. By the end of 1947, it had become clear to General Marshall and Mr. Bevin that the consolidation of power by the Soviet Union in Eastern Europe had reached a point where the West must seek a similar pooling of moral and material force if its civilization were to survive. Mr. Bevin declared that it was generally agreed that Europe must be unified, the only

question being whether it would be unified by force, dictatorship, and police state methods or by the voluntary association of free men. He also recognized that the consolidation of Western Europe would be inadequate and illusory in the security field without the backing of the United States. Prime Minister St. Laurent of Canada spoke of the necessity of creating a preponderance of moral and material force as a dynamic counter-attraction to communism. General Marshall fully agreed with these beliefs but considered it essential that the Europeans, before seeking the association of the United States, first demonstrate in concrete terms what they were prepared to do for themselves and for each other.

In recent years, Mr. Achilles continued, it has been becoming increasingly clear that a world of wholly unregulated national sovereignties is not adequate to deal with modern conditions. In the world today, the daily life of the individual is constantly and directly affected by events in distant places over which neither he nor his government has any control. Today it is obvious that problems of war and peace, of economics and political science can no longer be dealt with adequately on a strictly national basis. These are not abstractions.

Five years ago today we were deep in the most terrible war of all time. The Battles of the Bulge and of Leyte were raging. No one knew for sure whether atomic weapons would be practicable. Many steps in international relations which then appeared beyond the realm of practical politics have in these 5 years been found to be both necessary and practicable. The United Nations, with the United States and all other great powers and a great majority of the world's governments as full members, has come into being and is gathering strength. It represents a radical new departure in international organization on a world-wide basis. Similarly radical developments in international organization and closer association on a more limited geographic scale have taken shape in the Benelux Economic Union, the Brussels Treaty, the Council of Europe, the organization for European Economic Cooperation, the Rio Treaty, and the North Atlantic Treaty. It is impossible clearly to foresee what developments the

¹This is an excerpted version of an address by Mr. Achilles; for complete text, see Department of State press release 1015 of Dec. 29, 1949.

next few years may bring but these developments cited clearly indicate the trend.

The Director of the Office of Western European Affairs revealed in the course of his speech that the ultimate goal of this country is a world system adequate to assure the individual peace, freedom and economic well-being; in the words of the Declaration of Independence: "the unalienable rights that among these are life, liberty, and the pursuit of happiness." Secretary Acheson has defined our goal as being the kind of world in which the American experiment can survive and prosper, the kind of world in which freedom can endure.

There are two basic approaches, Mr. Achilles explained to his audience, the universal and the regional. The former seeks to raise international standards of conduct and develop new institutional forms and methods on a universal basis. Under it, the rate of progress depends upon the extent to which those governments least willing to cooperate are in a position to impede the progress of the rest. The second, the regional or nuclear approach, lies in seeking the progressively closer association, through limited and practicable measures, of smaller groups of states with close ties of common heritage, tradition, and interests. Clearly we must pursue tirelessly every opportunity for progress through both methods, but it seems clear that progress in many fields can be achieved much more rapidly by the second.

It is certainly not accidental that all of the radical experiments of the last 5 years in closer international association along regional lines which I have cited have taken place in Western Europe and the Americas which, taken together, comprise what may, for want of a better term, be called the Atlantic community. It is a community of interest, a community more in the ideological than in the geographic sense, for the close ties which bind many of its members together are imponderable rather than geographic and they extend outside Europe or the Americas to far parts of the world. Its essential characteristics are fundamental belief in the dignity and worth of the individual, and in the importance of the rule of law to safeguard individual freedom.

Referring to the Atlantic Treaty, Mr. Achilles said that it has supplied an essential new answer to the need for closer international association among free nations in the security field. It has done so with no abridgment of sovereignty except to the extent that any treaty abridges sovereignty through the commitment to do or refrain from doing certain things in certain circumstances. This was made crystal clear, largely under the guidance of Senators Connally and Vandenberg, by the provision that in the event of an armed attack each party will take "such action as it deems necessary." Nevertheless, Congress in passing the Mutual Defense Assistance Act of 1949 in September authorized immediate expenditure of only 1 hundred million dollars for military assistance to

the other parties to the Treaty and 9 hundred million dollars when "The President approves recommendations for an integrated defense of the North Atlantic area," to be developed by the Treaty Defense Committee and Council. The Congressional Conference report declared that:

Contribution of military resources to an integrated defense of the North Atlantic is a prudent investment for the American people . . . What is essential is that planning . . . be premised from the outset on the principle of unity of defense. That means differentiation of functions among the parts in relation to an all-inclusive unity.

This insistence upon integrated defense, backed by 9 hundred million dollars out of 1 billion dollars, shows how seriously Congress takes integration in the security field. It, and the results which we confidently expect from it, shows what can be done collectively without abridgement of sovereignty. That the Atlantic Treaty has not been paralleled by any similar development in the economic or political fields is due to a number of reasons.

First, the security field is relatively simple and in peace time has relatively little effect upon the daily life of the individual. The most important single fact about the North Atlantic pact is its very existence. It makes war less likely by providing clear advance notice to any potential aggressor of the determination of all the parties, including the United States, effectively and collectively to exercise the right of self-defense in the event of an armed attack upon any of them.

Second, in the security field we had as guidance the fundamental Monroe Doctrine and a ready pattern in the Rio Treaty. Similar patterns may exist in the economic and political fields but we have not yet been able to discern them.

Third, the economic field is infinitely complex as compared to the security field. It directly affects the daily life of the individual in countless ways. I do not believe that the time to seek new patterns in the political field will come before both the need for them and their proper form have become much clearer through further efforts to deal with the underlying basic economic problems.

In concluding, Mr. Achilles disclosed that it is difficult to believe that answers will be found all at once in any form as far reaching as federation, or applied solely to Western Europe or any other limited area. The difficulties are great, both substantively and geographically. The Benelux experiment has demonstrated the innumerable small, practical problems which must be solved even under favorable conditions and between only three contiguous and closely related countries. The larger and more heterogeneous the group, the greater the difficulties to be overcome. The direction in which we must work is that of progressively closer association, by limited and practicable steps, of more and more of the free world. It is natural that this process should proceed fastest with those countries which have the closest ties of common heritage, tradition, and interest.

Joint Statement on U.S.-Iranian Relations

NEED FOR IRAN'S ECONOMIC DEVELOPMENT SEEN

[Released to the press by the White House December 30]

The Shah of Iran Ends Visit

His Imperial Majesty, Mohammed Reza Pahlavi, Shahinshah of Iran, today completed his tour of the United States and departed for Iran. The Shah came to this country at the invitation of the President and his visit has enabled him to become acquainted at first hand with the United States and its institutions. The President said today that the existing friendly relations with Iran have been strengthened still further by the Shah's visit. The President is most happy that His Majesty has paid the United States the honor of this visit, which enabled not only the President but also many officials of the government, as well as the American people, more clearly to know and understand Iran, its great traditions, and its present achievements and objectives.

Following a stay of several days in Washington, the Shah visited many parts of the country and inspected various institutions and industrial and agricultural enterprises whose technical operation might be usefully applied in Iran. He also saw military, naval, and air installations. His Majesty had the opportunity of meeting civic, industrial, and educational leaders, as well as other representatives of broad segments of the American population.

While in Washington, His Majesty had conversations with the President, the Secretary of State, and other senior officials of the United States Government. These conversations took place in an atmosphere of frankness and cordiality, and the interchange of views was most valuable in arriving at a mutual understanding of problems in which both the United States and Iran have interest. Pursuant to these conversations His Majesty and the President have decided to issue the following joint statement on the relations between the two countries:

Joint Statement

His Imperial Majesty, the Shah of Iran, and the President of the United States have examined

the relations between their two countries and the problems which they face in common. In the course of their conversations, it has been brought out that:

1. They believe the United Nations offers the best means of assuring a peaceful world. Both countries will continue to give the United Nations their unfaltering support and to work in close cooperation with it and its agencies.

2. A serious threat to international peace and security anywhere in the world is of direct concern to the United States. As long ago as December 1, 1943, when President Roosevelt, Prime Minister Churchill, and Marshal Stalin signed the three-power declaration at Tehran, the United States made clear its desire for the maintenance of the independence and integrity of Iran. The great interest of the United States in this regard has been repeatedly affirmed in its foreign policy declarations and the United States Government intends to continue that policy.

3. His Imperial Majesty believes, and the President concurs, that the ability of any country to maintain its independence is based on a sound and prosperous economy. For this reason, as far back as 1946, upon His Majesty's advice, the Iranian Government took steps to prepare a seven-year plan for economic and social progress which now, embodied into law, is being carried out with all the means at the Government's disposal. The President appreciates the importance of this program to the economic development of Iran, and applications by the Iranian Government to the International Bank for Reconstruction and Development for economically justifiable loans to be used in the furtherance of the program will therefore receive the support of the United States. Subject to favorable Congressional action on the Point 4 program, the United States also stands ready to facilitate Iranian economic development through the provision under Point 4 and otherwise of technical advisory assistance if requested by Iran. His Majesty welcomes the assistance envisaged under the Point 4 program and is particularly aware of

the desirability of increased investments of private capital in the Iranian economy. The Iranian Government will consider measures to be taken to encourage such investments.

4. It is the policy of the United States to help free peoples everywhere in the maintenance of their freedom wherever the aid which it is able to provide can be effective. As the result of recent Congressional authorization, and in response to the request of the Government of Iran, the Government of the United States is currently prepared to offer certain military assistance essential to enable Iran, as a nation dedicated to the purposes and principles of the United Nations Charter, to develop effective measures for its self-defense in support of those purposes and principles. The United States will continue to bear in mind Iran's defense needs in connection with further foreign assistance which may be considered by the United States Government.

Indonesian Independence Welcomed

*Statement by President Truman*¹

It is with pleasure that I greet the people of a new sovereign state, the people of the Republic of the United States of Indonesia, and congratulate you and your great leader, President Sukarno, on the attainment of Indonesian independence.

The world has seen a nation grow in the vast archipelago of Indonesia. A new republic now has emerged from the chaos and disruption of war, and a new state is demonstrating that it will follow a course of peace and order so that all men in Indonesia may work fruitfully in your richly endowed islands to fulfill the promise of a new era.

The leaders of Indonesia have shown their statesmanship in reaching with the Netherlands unanimity of agreement at the Hague Conference and in supporting that Agreement in the halls of government in Indonesia. Through wholehearted cooperation in bringing about this agreement, the leaders of the Indonesian and of the Dutch peoples have strengthened and contributed to the development of the United Nations. They have gained for the people of Indonesia sovereignty and for the people of the Netherlands good will and assurances of fair treatment.

The United States will welcome the Republic of the United States of Indonesia into the community of free nations and looks forward to Indonesia's admission to membership in the United Nations. Indonesia has already demonstrated that the goal of the new state will be true nation-

¹ Made on the occasion of the transfer of sovereignty from the Kingdom of the Netherlands to the Republic of the United States of Indonesia. The statement was released to the press by the White House, Dec. 28, 1949.

alism for Indonesia and that aggressive acts and efforts on the part of foreign dictatorships to subvert this newly won independence will be resisted with vigilance. Indonesia may count upon the sympathy and support of all who believe in democracy and the right of self-government.

H. Merle Cochran, who has served with distinction as the United States representative upon the United Nations Commission for Indonesia, has presented his credentials in Djakarta as the first American Ambassador to Indonesia.² I know that he has many friends among you and that he will renew these friendships and make many more. As America's envoy to Indonesia, he brings you the good wishes and assurances of friendship of the American people. It will be his privilege to further the full and sympathetic understanding between the American and the Indonesian peoples.

I express the sentiments of the American people when I say that I am truly glad that the people of Indonesia have attained statehood by the way of peaceful and cooperative agreement with the Netherlands.

Survey Mission Recommends Near East Relief and Public Works Program

Statement by President Truman

[Released to the press by the White House December 30]

Having completed his task as Chairman of the United Nations Economic Survey Mission to the Middle East, Gordon R. Clapp, Chairman of the Board of the Tennessee Valley Authority, has called on me to discuss the results of his work in the Near East.

The mission, which was composed of experts from a number of member States of the United Nations, was created upon the recommendation of the United Nations Palestine Conciliation Commission. Its duties were to examine the economic situation arising from the recent hostilities in the Near East and to recommend means for overcoming economic dislocations, for reintegrating the refugees into the economic life of the area, and for creating economic conditions conducive to the establishment of permanent peace.

When Mr. Clapp's appointment was announced by the Secretary-General of the United Nations on August 26, I took the occasion to pledge the full support of this government to the Economic Survey Mission as well as to other efforts by the United

² The President appointed on Dec. 28, Edward A. Dow, Jr., as acting representative of the United States of America on the United Nations Commission for Indonesia. Mr. Dow, a Foreign Service officer, has been assisting Ambassador Cochran in his work on the United Nations Commission for Indonesia.

Nations to settle differences and achieve peace in the Near East. It seemed clear to me that such endeavors coincided precisely with our hopes that the governments and peoples of the Near East might soon be in position to devote the full measure of their abilities and resources to their economic and social betterment.

During the past 4 months, Mr. Clapp and his colleagues have conducted an intensive study of economic conditions in Palestine and neighboring countries. The recommendations which they have formulated are incorporated in two United Nations documents, the first an interim report submitted on November 18, and the second a final report which will shortly be released by the United Nations.¹

In its interim report, the survey mission considered the tragic plight of some three-quarters of a million refugees, rendered homeless by the Palestine conflict. That these destitute people are still alive today is credited largely to the efforts of the United Nations Relief for Palestine Refugees, whose funds will be exhausted early in January. The Economic Survey Mission has recommended a renewed relief program including a public works program to provide the refugees with gainful employment and to permit them to be of greater service both to themselves and to the lands now giving them asylum.

Mr. Clapp has indicated that the second report of the Economic Survey Mission will deal with prospects for long-range development in the Near East. He believes that the potentialities of the region are great, but that it will be necessary to move slowly and carefully if the best results are to be achieved.

On December 8, the General Assembly of the United Nations unanimously passed a resolution based on the interim report of the Economic Survey Mission. It called for a United Nations refugee program terminating June 30, 1951, and involving the expenditure of 54.9 million dollars, to be provided by international contribution. The unanimity of the vote was appropriate testimony to the success of the work done by the mission as it was also unmistakable indorsement of the need for international assistance to the Palestine refugees.

In accord with my previously expressed intention to give careful consideration to such assistance as we might appropriately render in carrying out the recommendations of the survey mission, legislation is now in preparation for presentation to the Congress requesting authorization for this government to assume its share in the cost of the program proposed by the United Nations for the Near East. The success of the program depends on a large measure of international cooperation, and I feel certain that other member states of the United Nations will assume their shares of this burden.

¹ BULLETIN of Dec. 5, 1949, p. 847a.

Mr. Clapp and his colleagues on the Economic Survey Mission have our thanks for the important public service which they have rendered.

Approaches to Shanghai and Yangtze River Mined

[Released to the press December 29]

The Department of State has been informed by the Chinese Government that the approaches to the Yangtze River and Shanghai have been mined within Chinese territorial waters. Furthermore, the Department of State has been informed that, due to the manner in which the mines have been laid, no channel has been left open and that the only way to move vessels in and out would be to sweep the mines.

United States shipping companies and masters who contemplate movements of vessels into the area are warned accordingly.

The above information is being transmitted today to all United States shipping companies, operators, and masters by the Hydrographic Office and the Maritime Commission.

Families Informed That Smith and Bender Are Safe in China

[Released to the press December 27]

The Department of State today sent the following telegram to Mrs. Elmer C. Bender, Chicago, Illinois, wife of Master Sergeant Elmer C. Bender, and to Mrs. William C. Smith, Long Beach, California, and Mrs. Charles M. Smith, Columbia Falls, Montana, wife and mother, respectively, of Chief Electrician William C. Smith:

United States consular official at Tsingtao was informed by official of Chinese Communist Foreign Affairs Bureau during first week in December that Chief Smith and Sergeant Bender were safe and well and that they were being held at a large Communist military base just outside Tsingtao. Delay in receipt of this report was due to lack of radio communications with United States officials at Tsingtao.

The Consulate General there has been closed to the public but the consular personnel are still in the city, awaiting transportation to Shanghai. Department is continuing its efforts to obtain additional information regarding Chief Smith and Sergeant Bender and to effect their release.

Chinese Communist Announcement on Ownerless Land

[Released to the press December 29]

The Department of State today announced that it had been informed that the Shanghai *Chieh Fang Jih Pao*, the leading Chinese Communist-controlled newspaper, had published on December 15, 1949, provisional measures promulgated by the local authorities governing the disposition of ownerless land. The following is an unofficial summary translation as received by the Department:

1. Ownerless land is described as land (a) remaining unregistered after the time limit for registration, (b) where the owner has departed without leaving an agent with power of attorney, (c) where there is an agent but who cannot satisfy the requirements of the land bureau, and (d) where, following the death of an owner, it is not clear that he left a lawful heir.

2. Ownerless land is to be held in trust by the land bureau. Such land will be announced by the *Chieh Fang Jih Pao*.

3. The period of safekeeping is for not more than 3 years during which time the owner, his attorney, or heir may apply for return of the land. The land bureau will dismiss cases found to be unreasonable by issuing a written decision to the applicant. The decision may be questioned within 15 days during which time the bureau may reverse its decision. If the appeal is considered groundless, however, the file will be transmitted to higher authorities for final decision.

4. Claims for property on the part of two or more applicants shall be settled according to procedure providing for the settlement of land disputes.

5. Ownerless land becomes the property of the local authorities after the period of safekeeping if no claims thereon have been filed.

6. Persons renting ownerless land may apply for priority in continuing to rent after it has been taken over by the land bureau.

7. Other rights which have not been registered may be registered with the bureau.

8. Land under safekeeping is subject to requisition by the local authorities whenever necessary.

9. When ownership is established, the owner must settle all accounts with the land bureau concerning profit, service charges, and rates during the period of safekeeping.

10. All contracts made during the period of safekeeping remain valid after the return of the land.

11. Any special case that is not covered by these measures may be submitted to the local authorities for special approval by the land bureau according to its merits.

12. These measures are effective from December 15, 1949.

U.S.-Canada Make Progress in Colonial Airlines Case

[Released to the press December 21]

Representatives of the Canadian and United States Governments have engaged, during the past week, in consultations concerning civil aviation relations between the two countries. These con-

sultations were called so that both governments might review questions arising under the air transport agreement signed between the two governments last June, including the details of recent problems regarding operations under the agreement over the route between New York and Montreal. The discussions have been thorough and satisfactory progress has been made.

The United States representatives indicated their concern over certain aspects of the proceedings before the Air Transport Board which appeared to them to be based on the fact that Colonial Airlines was taking steps in the courts of the United States to test the validity of the air transport agreement. The Canadian representatives stated that whereas the Air Transport Board had decided to hold hearings on the position of Colonial Airlines as a licensee of the Board on the route between Montreal and New York, at no time had the Canadian Government ever questioned the constitutional right of Colonial Airlines to have determined by the United States courts the validity of the air transport agreement under the United States law; nor had there ever been any desire on the part of the Canadian Government to interfere with the juridical or administrative proceedings in the United States. The representatives of the Canadian Government expressed themselves as satisfied that the United States had entered into the 1949 agreement in good faith, with every intention of carrying out its provisions. The representatives of the United States Government were also satisfied with the course adopted by the Canadian Government in implementing the provisions of the 1949 agreement.

Although the discussions between the representatives of the two governments took place within a general area of agreement, certain questions have arisen regarding the interpretation of particular articles of the bilateral agreement. It has been decided to adjourn the talks until an early date to permit each government to consider the other's position in greater detail.

North Atlantic Council To Hold Third Session

[Released to the press December 28]

It was announced today that the North Atlantic Council would hold its third session in Washington on January 6, 1950. At this session the United States will be represented by Secretary of State Acheson, Chairman of the Council for the first year of its operation. The other members of the North Atlantic Treaty will be represented by their diplomatic representatives in Washington.

U.S. and Cuba To Renegotiate Certain Items in GATT

Views Invited

The Chairman of the Interdepartmental Committee on Trade Agreements announced December 27 that, as a result of requests by the Cuban Government for renegotiation of Cuban concessions on certain items initially negotiated with the United States in 1947, the United States and Cuba will carry on renegotiations at Washington early in February 1950.

Agreement on the part of the United States to carry on renegotiations of certain of these Cuban items, namely cotton and rayon ribbons, braids and galloons; nylon hosiery; rubber tires and tubes; and colored-woven textiles, was announced on October 11, 1948, and on June 3, 1949.¹

Interested persons are invited to express their views in writing or orally regarding any product concerned in or regarding any phase of the renegotiations. The Committee for Reciprocity Information has issued a notice with respect to the presentation of views and with respect to the public hearings which will be held beginning on February 1, 1950. The closing date for receiving written briefs and statements will be January 23.

Committee for Reciprocity Information

Closing date for application to be heard, January 23, 1950.
Closing date for submission of briefs, January 23, 1950.
Public hearings open, February 1, 1950.

The Department of State has issued on this day a press release, a copy of which is attached hereto, stating that the Chairman of the Interdepartmental Committee on Trade Agreements announces that renegotiations of certain items in schedule IX (Cuba) of the General Agreement on Tariffs and Trade will be carried on with Cuba early in February 1950. Attached to this press release is a list of the items in part II of schedule IX which the Cuban Government has requested be renegotiated.²

The negotiations will also include consideration of new concessions, whether or not in respect of items now in the Cuban schedule, which Cuba might grant to the United States in return for any modifications of the duties applicable to any of the products described in the aforementioned list that might be agreed to by this government.

Consideration may be given, in addition, in these

negotiations to the possible withdrawal of some concessions which the United States initially negotiated with Cuba in 1947 in schedule XX of the General Agreement.

The Committee for Reciprocity Information hereby gives notice that information and views in writing in regard to the foregoing negotiations shall be submitted to the Committee for Reciprocity Information not later than 12:00 noon, January 23, 1950, and all applications for oral presentation of views in regard thereto, including a statement as to the product or products on which the applicant wishes to be heard, shall be submitted to the Committee for Reciprocity Information not later than 12:00 noon, January 23, 1950.

Such communications shall be addressed to:

The Chairman, Committee for Reciprocity Information
Tariff Commission Building
Washington 25, D. C.

Ten copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to.

Public hearings will be held before the Committee for Reciprocity Information, at which oral statements will be heard. The first hearing will be at 10:00 a.m. on February 1, 1950, in the hearing room of the Tariff Commission, Tariff Commission Building, 8th and E Streets, NW., Washington, D.C. Witnesses who make application to be heard will be advised regarding the time and place of their individual appearances. Appearances at hearings before the Committee may be made by or on behalf of those persons who have within the time prescribed made written application for oral presentation of views. Statements made at the public hearings shall be under oath.

Persons interested in the negotiations may present to the Committee their views concerning the modification of schedule IX with respect to any product in the list attached to the press release of the Department of State, and concerning new concessions, whether or not in respect of items now in schedule IX (Cuba), which might be requested, or withdrawals from schedule XX (United States) which might be made, as compensation for such modification. Copies of the press release and attached list may be obtained from the Committee for Reciprocity Information at the address designated above and may be inspected at the field offices of the Department of Commerce.

By direction of the Committee for Reciprocity Information this 23d day of December 1949.

EDWARD YARDLEY
*Secretary, Committee for Reciprocity
Information*

¹ BULLETIN of June 12, 1949, p. 766.

² For list, see Department of State press release 1004 of Dec. 27, 1949.

U.S. Efforts To Expand International Trade

The second half of the twentieth century presents to the United States a real challenge and a real opportunity in the foreign economic field, Winthrop G. Brown said on December 28.¹

Speaking before the Pacific Coast Economic Association at San Francisco, Mr. Brown, Director of the Office of International Trade Policy, reviewed the problems of Europe and the relation of the United States to those problems.

One problem has been that of immediate survival and recovery of Europe from the ravages of war. The other has been the building of the foundations for world conditions in which the institutions of freedom can survive and prosper over the long run. These tasks have occupied the energies of many countries in a wide variety of activities—economic, political, military.

The dislocations of the Second World War, particularly in the economic field, were much more profound than those of the First. Furthermore, the war and its aftermath brought to the fore certain fundamental economic difficulties which had been more or less under the surface between the two World Wars.

The entire situation is colored today by the attitude of the Soviet Union, presenting as it does a basic challenge to the validity of our whole concept of economic and political life. At a time when the free nations of the world are facing difficulties of the most staggering magnitude, they are at the same time challenged before millions of people in the world with a claim that their system will not work and that the institutions of freedom as we know them and would like to see them cannot provide a satisfactory standard of living for the peoples of the world, Mr. Brown stated.

Another major difference lies in the new position and attitude of the United States. As the greatest economic force in the world, the attitude of the United States on almost any problem is of paramount importance. In the critical period of the 1920's, we avoided our responsibilities and tried to look the other way. After the Second World War, however, we chose the path of active and close collaboration with other nations in the solu-

tions of problems which now all can clearly see are problems affecting us all.

Accomplishments of Recent Years

In Western Europe, Mr. Brown said, physical facilities have been restored, homes have been rebuilt, and factories are humming. Production in most countries is well above prewar levels. The pressures of communism have been thrust back in France and Italy and elsewhere.

To the success of this effort, the United States has made a major contribution. With Marshall Plan aid, we have provided necessities to keep people alive and factories working and to start productive processes. But perhaps most important of all, the desire and willingness of the United States to give this assistance and to participate in this work of recovery and reconstruction has provided for the peoples of Western Europe the intangible but vital element of hope.

To release the full energies of any people for the pursuits of peace, the fear of aggression must be removed. So the United States has been participating with countries across the Atlantic in the building of a security system which will give the assurance that men and women can go about their lawful business unmolested. By our participation in the Atlantic pact, by our program of military assistance, we are contributing to our security and to that of like-minded nations and are strengthening further this vital element of hope.

In all these efforts, pressing as they have been, neither the Europeans nor ourselves have lost sight of the fact that we are but part of a much larger community and that our economic, political and military problems are but part of world problems. The expression of this conviction is found in the United Nations and in its specialized agencies.

The creation and effective operation of international institutions through which the nations of the world could work together in all the varied fields of international activity has been central to our thinking in the United States Government and in the governments of most of the rest of the world. In the organic law of these international institutions, the Charter of the United Nations,

¹ For complete text of Mr. Brown's remarks, see Department of State press release 1007 of Dec. 27, 1949.

the articles of agreement of the International Monetary Fund, the charter of the proposed International Trade Organization, nations have been working out agreement on the principles which would guide their international activity in the political, financial, and trade fields in the years to come.

Thus, at the end of this first half of the twentieth century we can see that much has been accomplished to give encouragement and to provide a foundation on which to build for the future.

Encouraging and Expanding Trade

A new emphasis has come into the picture. Up to now, Mr. Brown commented, the primary emphasis has been on the restoration of production, on getting people back to work, and getting factories and fields into full operation.

Now, however, much more emphasis is being given to the problem of how to make it easier for countries to exchange the fruits of their production with each other—in other words, how to encourage and expand trade. There is obviously much less incentive for the countries of Western Europe to expand their production if they cannot exchange the goods which they produce with each other, with us, and with the rest of the world.

They must be able to exchange their goods with each other.

Today, the countries of Western Europe, individually and through the Organization for European Economic Cooperation and in consultation with our government, are planning how they can increase their trade with each other on a sound economic basis. Boiled down to essentials, this means making their currencies convertible and reducing their barriers to trade and capital movements.

Already, many of them have substantially relaxed the quotas by which they have hitherto limited their imports, and further liberalization is being considered. Plans are well along for a modified form of customs union between France and Italy, and consideration is being given to whether this could be linked up through trade liberalization measures with the Benelux union. The Scandinavian countries have been thinking about a customs union among themselves, and Britain has recently made proposals to them for freer currency arrangements. A major readjustment of exchange rates has taken place.

Underneath and beyond all of these individual efforts is the thinking and planning which is being done to find ways and take steps that might ultimately make Europe into a single great market of almost 300 million people.

These are knotty problems. Their solution will take time. They will require immense adjustments which cannot be undertaken and accomplished overnight. But the important thing is that men are thinking about them and addressing

their minds to the problem. The work is going forward in Europe.

Need for Becoming Import-Minded

In order for European countries to be able to exchange their goods with us, they must produce more. They must cut their costs of production. They must take the trouble to learn about the United States market—our tastes, our methods. And they must make a more vigorous and more intelligent effort to sell their goods in our markets.

But the solution of this problem does not rest with them alone. Quite aside from the vital necessity of the full and continued operation of the European Recovery Program, the United States has a fundamental role to play in this effort, namely, to do something to correct what Secretary Acheson has described as our "unfavorable" balance of trade, Mr. Brown said.

For years we, as a people, have thought of our international trade primarily in terms of exports. We have tended to look upon imports not as additions to our national wealth, but as something rather undesirable, especially, imports of products that we could conceivably produce ourselves. We have preached the virtues of free competition domestically but somehow we have been blind to its advantages where foreign goods in our markets are concerned.

We are badly in need of a mental adjustment, for one of the greatest contributions we can make to a restoration of sane economic conditions in the world is to become import-minded. We need to recognize that imports are things that are useful to us; that they are additions to our national wealth and to our standard of living; and that they make it possible for other countries to pay for the things we want to export.

The products of our fields and factories are essential to the economic strength and stability of friendly nations all over the world. It is to our national interest that these countries should be able to get our products and use them. It is also to our national interest that they should be able to pay for our products, rather than that we should have to give them away.

We have the goods to send abroad. We want to send them abroad. The major obstacle to their going abroad is the inability of other countries to pay for them.

In 1949, for example, we exported 16.2 billion dollars of goods and services. This amount, together with 1.3 billion dollars of other dollar requirements of foreign countries,² was paid for through normal trade and financial transactions only to the extent of 11.8 billion dollars, of which

² These requirements are reflected in our balance-of-payments statistics under the heading *Errors and Omissions*. They are accounted for in part by the fact that recorded exports are undervalued and recorded imports are overvalued, and in part by unrecorded capital movements.

imports of goods and services into the United States accounted for 9.9 billion dollars and United States public and private investment abroad accounted for 1 billion dollars.

More than a third of the total dollar requirements of foreign countries, or 5.7 billion dollars, was financed by extraordinary assistance in the form of grants.

Yet, in this situation, the people of the United States are devoting far less of their national income to imports than they did 20 years ago. In the middle twenties, the United States devoted about 5 percent of its national income to the purchase of imports. Today, we devote less than 3 percent to imports. This doesn't seem like much of a difference; but in terms of our balance-of-payments problem, it is tremendous. If we as a people should devote another 2 percent of our national income to the purchase of imports, over 4 billion dollars would be added to the purchasing power of the rest of the world.

Efforts To Increase Imports

The government can do much to help make it easier for this country to get imports. Mr. Brown said that in the 15 years of the administration of the Trade Agreements Act, it has, through careful and selective negotiation, made substantial reductions in the levels of our tariff. But we still have many tariffs that are unnecessarily high, 70 percent, 90 percent, even over 150 percent. The Administration proposes to press forward with further negotiations under the authority recently conferred upon it by the Congress in extending the Trade Agreements Act for the sixth time.

Certain American industries or groups of producers fear that a "flood" of goods coming in from abroad as a result of these negotiations will put them out of business. Each of those groups thinks of the large dollar volume of imports that is needed if we are to close the dollar gap and seems to feel that the whole competitive impact of new imports will somehow be concentrated very largely upon it.

That, of course, is not the case. It has been the practice, and it is the intention of the Administration, so far as tariff barriers are concerned, to try to open the doors to imports wherever possible, all across the board, and thus to spread increased opportunities for imports as widely as possible throughout the whole United States market.

We have customs regulations and customs administration laws which were written in times of high protection and which in total constitute an imposing obstacle to imports. They cause uncertainty, delay, and expense to importers. Active and effective work is being done to improve this situation. We have had conferences with representatives of many other countries who have told us about the specific difficulties that their exporters have faced in meeting our requirements. The

Treasury Department has already introduced a number of significant improvements in the area which lies within its administrative discretion, and it is expected that legislation to simplify many aspects of our customs administrative law will be introduced early in the next session of Congress.

We have a number of other governmental obstacles to imports. We have laws which require our public agencies, including our stock piling agency, to "buy American," for example, and we have certain other types of regulations that operate as import barriers. These things are all being studied in Washington.

Investment abroad, private and public, is another important contribution to filling the dollar gap. Through the commercial treaty program and Point 4 legislation, the government is seeking to encourage private investment abroad, and the Export-Import Bank and International Bank are also active.

Advantages of Multilateral Trade

The European countries must be able to exchange their goods, not only with each other, and with us, but with the rest of the world. The restoration of a flourishing multilateral trade is a prerequisite to their long-term economic health.

As a country believing in the system of free competitive enterprise and having almost the only convertible currency in the world, the United States is the country most able to practice multilateral trade and has much to lose from its disappearance from the world.

The European countries have not lost sight of this essential long-term problem even in their preoccupation with the immediate problems of recovery. Nor has the United States. Since World War II, the United States has been a leader in the effort to restore multilateralism in trade. And at this beginning of the second half of the twentieth century, we have an opportunity to advance that cause still further.

Tariff Negotiations

VE-day was in May 1945; VJ-day followed in September. In December, the United States set in motion two major efforts for the restoration of multilateral trade. For even before hostilities had ceased, Mr. Brown continued, plans had been laid for international action designed to avoid as much as possible a repetition of the economic conflicts of the inter-war period.

These two steps were the issuance by the United States of its *Proposals for the Expansion of World Trade and Employment* and its invitation to 14 other countries to begin negotiations for the reduction of tariffs. The first of these acts led, through more than 2 years of international negotiation under the auspices of the United Nations, to the development of the Habana Charter for an International Trade Organization. The second re-

sulted in the General Agreement on Tariffs and Trade.

Both of these proposals had novel aspects. The new thing about the invitations to tariff negotiations was that they contemplated simultaneous negotiations with a number of countries, rather than negotiations with one country at a time as in the past and that they contemplated negotiations between each of the 15 countries and all of the others as well as simply negotiations with the United States. The countries involved accounted for almost three-quarters of world trade. Thus, the proposal involved truly comprehensive and multilateral tariff reducing action.

These invitations were accepted. Negotiations took place at Geneva in the summer of 1947, and agreement was reached on the tariff treatment of products which accounted for something over half of the trade of the entire world. This agreement was extended by negotiations with new countries at Annecy, France last summer, and a further set of negotiations is scheduled for September of next year. With the renewal of the Trade Agreements Act, the United States will be able to put the results of the Annecy negotiations into effect and to participate in the September negotiations. Thus, the work of trying to reduce the tariff barriers of the world is continuing to be vigorously pressed.

THE ITO CHARTER

The novel aspect of the *Proposals for Expansion of World Trade and Employment* was that they contemplated agreement by the largest possible number of countries on a set of principles to guide their trade with each other—a set of principles comprehensive in scope and couched for the first time, not in glowing generalities, but in terms sufficiently precise to be guides for action.

The charter for an International Trade Organization developed at Habana in 1948 is now before the Congress. It is expected that it will be considered very early in the next session.

The charter would create an Organization which would be a specialized agency of the United Nations. It would provide a forum in which trade problems could be discussed and resolved in an orderly manner. It would be a place where complaints could be brought against members who did not live up to the principles and commitments of the Charter. The Organization would have two sanctions to implement its decisions. The first is the sanction of public opinion, for any member departing from its commitments under the charter would have to justify that action publicly before the Organization. The second lies in the power of the Organization, if it found that a member had not lived up to its commitments and would not mend its ways, to release other members from their commitments to the offender.

The charter would establish a code of trade principles. This code would commit members of the Organization to negotiate for the reduction of

their tariffs and the elimination of their tariff preferences. It would obligate them to simplify and publicize their customs regulations. It would commit them not to use internal taxes and regulations as means of discriminating against imports. It would commit them to abandon the quota as a protective device, except under certain carefully limited circumstances. It would obligate them to give unconditional most-favored-nation treatment to the trade of other members. It would commit them to operate their state trading enterprises in accordance with commercial considerations. It would place limitations upon their use of subsidies.

It would permit members to prescribe terms for the admission of foreign capital to their countries, but would require that those terms be just and reasonable, and would obligate members to negotiate for more detailed treaties covering investment. It would establish the first international mechanism for dealing with the restrictive practices of private international cartels.

It would permit intergovernmental action to deal with the problems arising out of surpluses of primary commodities, but it would require that consuming countries be equally represented with producing countries in such agreements and that the agreements contain some measures directed toward correcting the causes of the surplus. It would extend to all countries the same obligation that we have assumed in our Employment Act of 1946 to provide by appropriate means opportunities for employment of those able and willing to work.

It would obligate any member contemplating action which might adversely affect the interests of another member to consult with him first and try to reach a satisfactory solution of the problem, rather than going ahead with unilateral action and thus stimulating retaliation.

The charter rules do not demand the impossible of the members of the Organization. They recognize that in certain cases, members cannot, however much they might wish to do so, fully live up to the general principle. Examples illustrate this point, Mr. Brown stated.

The charter has a general rule against the use of quotas. But it is clearly impossible for a country short of foreign exchange to abandon their use entirely. It can stop using quotas for protective purposes, but it must be able to limit its purchases from hard-currency areas in order to be sure to get the things it absolutely needs. The charter recognizes this fact and permits exceptions from the rule against quotas to protect a member's balance of payments.

But, as in the case of the other exceptions in the Charter, the use of this one is limited. Members must establish that they are genuinely in balance-of-payments difficulties, they must relax the restrictions as the condition improves, and they must remove them as the balance-of-payments difficulties ceases.

Similarly, when as in the United States the government limits the production of agricultural products as part of a price-support program, it may also limit imports. Any other situation would be unfair.

The charter thus strikes a balance between the need for rules which are precise enough to be guides for action and yet which are sufficiently flexible to be operable under the conditions of today's world.

The rules of the Charter are not perfect. Nor do they in all cases coincide exactly with the desires of the United States. In the words of our original proposals, they "reflect awareness that we live in a world of many countries with a variety of economic systems. They seek to make it possible for those systems to meet in the market place without conflict, thus to contribute each to the other's prosperity and welfare."

What the Iro can do is to establish a framework within which countries can conduct their international trade with the assurance that other countries will be following the same principles and be guided by the same rules; in other words, that they will not be undercut when they play the game and also that they will have a place where they can bring their complaints for redress and their difficulties for help and consideration.

With the new emphasis on the importance of expanding trade and of removing obstacles to the

interchange of goods, it becomes increasingly important to establish the Iro and to obtain the assurance that acceptance of its principles will give of common action by a large number of countries over a wide area of international trade.

Whether this new international institution will come into being, whether this new and important element in the structure of the United Nations will ever be put in place and operated rests with us, for without the active participation of the United States no such organization could hope to be effective.

It is a very sobering experience to represent the United States at an international gathering, for it is hard to realize here at home how vital almost every action of ours is to other countries and how the first question in almost every situation is, "What does the United States think and what will the United States do?"

We have been the leader of this whole effort to restore multilateral trade. We have been the foremost worker in trying to create world conditions in which the private trader and the forces of the market place and of competition can have a chance to operate. If we lay down this leadership, there is no one else to take it up. And our failure to ratify the Iro Charter would tend to be interpreted by other countries as an abandonment, at least for a time, of our effort to restore multilateralism and competition in the world.

U. S.-Yugoslavia Sign Air Transport Agreement

[Released to the press December 24]

The Government of the United States and the Government of the Federal People's Republic of Yugoslavia concluded a provisional civil air transport agreement at Belgrade on December 24, 1949, through an exchange of identical diplomatic notes.

The text of the agreement follows:

The American Embassy at Belgrade has the honor to refer to conversations concerning the civil air transport rights which took place from November 5 to December 23, 1949, at Belgrade between representatives of the Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia, and to the understanding reached during the course of these conversations as set forth in the following provisions:

(1) The Government of the United States of America accords to an airline to be designated by the Government of the Federal People's Republic of Yugoslavia the right to operate scheduled services, with rights of transit and nontraffic stop at

airports open to civil aircraft in the United States area of control in Austria and Germany as well as the right to pick up and discharge international traffic in passengers, cargo and mail at two airports in the United States occupation zone of Germany and one airport in the United States occupation zone of Austria open to civil aircraft, on a route or routes via intermediate points in both directions from Yugoslavia via United States occupation zones in Austria and Germany and beyond, such routes to be determined at a later date.

(2) The Government of the Federal People's Republic of Yugoslavia accords to an airline to be designated by the Government of the United States of America the right to operate scheduled services, with rights of transit and nontraffic stop at airports open to civil aircraft in Yugoslav territory as well as the right to pick up and discharge international traffic in passengers, cargo and mail at Belgrade on the following route via intermediate points in both directions: the United States via the

North Atlantic and Europe to Belgrade and beyond.

(3) On each of the above routes authorized airlines may operate nonstop flights between any of the points on such route, thus omitting stops at one or more other points on such route.

(4) The international air services described in paragraphs 1 and 2 may be inaugurated immediately or at a later date, but only after consultation by the designated airline with competent aeronautical authorities of the government whose territory or area of control is to be served as to the nature of operations to be conducted within such territory or area of control and the issuance of a permit, if required, to the designated airline by such aeronautical authorities.

(5) In order to prevent discriminatory practices and to assure equality of treatment, it is agreed that:

(a) Each government may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control; and that such charges shall not, however, be higher than those paid for the use of such airports and facilities by its national aircraft engaged in similar international services;

(b) Fuel, lubricating oils and spare parts introduced into the territory or area of control of one government by the other government or its nationals, and intended solely for use by aircraft operated pursuant to the rights accorded under this interim agreement shall, with respect to custom duties, inspection fees or other national duties or charges imposed by the government whose territory or area of control is entered, receive the same treatment as that applicable to its own national airlines;

(c) The fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board civil aircraft authorized to operate the services described in paragraphs 1 and 2 above shall, upon arriving in or leaving the area of control of the other government, be exempt from customs duties, inspection fees or similar duties or charges, even though such supplies be used or consumed by such aircraft on flights in that area.

(6) The two governments agree that:

(a) Their respective laws and regulations relating to the admission to or departure from their territories or areas of control of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within their respective territories or areas of control, shall be applied to and shall be complied with by their respective aircraft upon entering, departing from, or while within their respective territories or areas of control;

(b) Their respective laws and regulations relating to the admission to or departure from

their territories or areas of control, of passengers, crew, or cargo of aircraft, as well as regulations relating to entry, clearance, immigration, passports, customs and quarantine, shall be complied with by or on behalf of such passengers, crew or cargo upon entrance into, departure from or while within their respective territories or areas of control.

(7) Certificates of airworthiness, certificates of competency and licenses for aircraft and personnel to be used in operating the services described in this Agreement issued or rendered valid by one party to this agreement and still in force shall be recognized as valid by the other party. Each party reserves the right, however, to refuse to recognize, for the purpose of flight above its own territory, certificates of competency and licenses granted to its own nationals by another state.

(8) The two governments agree, in respect of the operation of the air services described in paragraphs 1 and 2 above, to cooperate in an effort to simplify procedures and formalities relating to the operation and navigation of aircraft and relating to the entry, transit and departure of aircraft, crews, passengers and cargo.

(9) In event that either government should consider it desirable to modify routes or conditions herein described, it may request consultation between the competent authorities of the two governments, such consultations to be commenced within thirty days from the date the request is received; and agreement between these authorities on new or revised routes or conditions shall become effective upon confirmation by an exchange of notes between the two governments.

(10) It is understood that the Government of the Federal People's Republic of Yugoslavia intends to invoke paragraph 9 when its plans for the operation of a trans-Atlantic route have progressed to the point where negotiations for traffic rights in the United States appear desirable.

(11) This agreement shall remain effective until notice of termination is given by either government or until superseded by a more comprehensive agreement.

(12) If one of the governments is so obligated, this agreement shall be registered with the International Civil Aviation Organization.

The Embassy is authorized to inform the Ministry of Foreign Affairs of the Federal People's Republic of Yugoslavia that the Government of the United States of America agrees that the present note and the identical note of the Ministry constitute a provisional agreement between the two governments concerning the exchange of civil air transport rights and that this agreement is effective from the date on which these notes are exchanged.

The Embassy avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurance of its high consideration.

Turkey Signs Fulbright Agreement

[Released to the press December 27]

Turkey and the United States today signed an agreement under the Fulbright Act, which, following ratification by the Grand National Assembly of Turkey, will put into operation the program of educational exchanges authorized by Public Law No. 584, 79th Congress, the Fulbright Act.

The signing took place at Ankara, with Secretary General Faik Zihni Akdur of the Turkish Ministry of Foreign Affairs representing the Government of Turkey and Ambassador George Wadsworth representing the United States.

The agreement provides for a United States Educational Commission in Turkey to assist in the administration of the educational program financed from certain funds resulting from the sale of United States surplus property to that country. It provides for an annual program of the equivalent of approximately \$250,000 in Turkish liras for 2 years, with the possibility of extension for a number of additional years, for certain educational purposes. These purposes include the financing of "studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in Turkey or of nationals of Turkey in United States schools and institutions of higher learning located outside the continental United States . . . including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or furnishing transportation for nationals of Turkey who desire to attend United States schools and institutions of higher learning in the continental United States . . . whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions."

The Commission in Turkey will consist of eight members, the honorary chairman of which will be the United States Ambassador to Turkey. The members of the Commission will include four citizens of Turkey and four citizens of the United States.

After the members of the Commission in Turkey have been appointed, information about specific opportunities for American citizens to pursue study, teaching, or research in that country will be made public. At that time applications for these opportunities will be received by:

For university teaching, or advanced research

The Conference Board of Associated Research Councils
2101 Constitution Avenue, NW.
Washington 25, D. C.

For teaching in Turkish secondary schools

The United States Office of Education
Federal Security Agency
Washington 25, D.C.

For teaching in American secondary schools abroad

The Conference Board of Associated Research Councils
2101 Constitution Avenue, NW.
Washington 25, D.C.

For graduate study

The Institute of International Education
2 West Forty-fifth Street
New York 19, N.Y.

Fulbright Program Advisers, American colleges and universities

VOA To Broadcast in Indonesian and Arabic Languages

The Voice of America will beam a daily broadcast to Southeast Asia in the Indonesian language starting on December 27, 1949, the Department of State announced on December 20.

The date for inaugurating the new broadcast series was selected to coincide with the date set for the transfer of sovereignty to the Republic of the United States of Indonesia. The initial program will consist of a salute to the new republic with greetings from various American officials. Subsequent programs will consist exclusively of United States and world news.

The Indonesian program will be broadcast from 6:15 to 6:30 a.m. e.s.t., (7:15-7:30 p.m. Indonesian time) by five short-wave transmitters in the United States and relayed by two short-wave transmitters at Honolulu and by one medium-wave and three short-wave transmitters at Manila.

With the start of the new transmission, a current 30-minute Voice of America broadcast to Indonesia in English 5 times a week will be revised to include a 15-minute newscast in English followed by 15 minutes of news in Indonesian 7 days a week.

On December 22, the Department announced the inauguration of Voice of America broadcasts in the Arabic language beginning on January 1, 1950.

The Arabic program will be broadcast from 11:00-11:30 a.m. e.s.t. (6:00-6:30 p.m. Cairo time and 7:00-7:30 p.m. Baghdad time) by four short-wave transmitters in the United States, by one relay transmitter at the American relay base at Munich, and by three relay transmitters which the Voice of America leases from the British Broadcasting Corporation.

Indonesia will be the twenty-third language, and Arabic will be the twenty-fourth language used by the Voice of America in its world-wide radio service and the third beamed to the Near East.

The United States in the United Nations

[December 31-January 6]

Security Council

The Security Council completed its fourth year on December 31. The number of Council meetings in 1949 declined compared with previous years. Sixty-two meetings were held in 1949; 168 meetings were held in 1948; 137 in 1947; and 88 in 1946. This was the first year in which no new dispute was brought before the Council.

The members of the 1949 Security Council were the five permanent members: China, France, the Union of Soviet Socialist Republics, the United Kingdom, and the United States, plus Argentina, Canada, Cuba, Egypt, Norway, and the Ukraine. Ecuador, India, and Yugoslavia were elected in 1950 by the General Assembly to replace Argentina, Canada, and the Ukraine.

Among the matters with which the Security Council is "seized" are the Palestine question, the Kashmir question, the Indonesian question, general regulation and reduction of armaments and armed forces, international control of atomic energy, organization of armed forces at the disposal of the Security Council under article 43 of the Charter, membership applications, and the voting procedure in the Security Council.

Kashmir

At its last meeting, December 29, the Security Council heard the report of its President, General McNaughton of Canada, on his consultations with representatives of India and Pakistan. The Council had asked him to hold the consultations in order to find "a mutually satisfactory basis for dealing with the Kashmir problem." General approval for the proposal that he had submitted to the parties for consideration by their governments and a desire that he continue the consultations were expressed by everyone in the meeting except by the Soviet representatives, but action was deferred until the 1950 Council meets.

General McNaughton explained that his proposal was based on the principle, already accepted by both parties, that the freely expressed will of its people will determine the future of the State of Jammu and Kashmir.

The proposal was directed toward the practical task of bringing about conditions under which such free expression could take place through a plebiscite. It also included the basis for an agreed program of progressive demilitarization to precede the plebiscite. If accepted by the parties, said General McNaughton, "the essential requirements leading to conditions requisite to a free and impartial plebiscite would have been established and the way would be open for the Plebiscite Administrator to discharge the functions which have already been entrusted to him."

United States Representative Gross told the Council that he believed the proposal constitutes a fair and reasonable approach to the problem. We expect, he said, that the parties, under the able guidance of General McNaughton, will continue their consultations in fulfillment of their obligations under article 33 of the Charter to reach a satisfactory and peaceful solution of the current dispute.

At the opening of the meeting, the Union of Soviet Socialist Republics, supported by the Ukraine, stated that it does "not regard Mr. Tingfu Tsiang, the Kuomintang representative in the Security Council, as representing China, and does not consider him as empowered to represent the Chinese people on the Security Council." After Ambassador Tsiang had replied to these declarations, the Security Council President ruled the matter closed.

International Labor Office

The Governing Body of the International Labor Organization planned to hold its 110th session at Mysore, India, December 29-January 7. Among the items to be considered are questions relating to the rights of trade unions, the relationship of the International Labor Organization to the Organization of American States, and the International Labor Organization's technical assistance program.

The Governing Body will consider the establishment, actively sponsored by the United States, of a Fact Finding and Conciliation Commission on freedom of association. This Commission, when established, would act on behalf of the United

Nations as well as the International Labor Organization and would be available for ascertaining the facts concerning allegations that trade unions have been denied the right of freedom of association. It is anticipated that this Commission would assist in establishing and maintaining the rights of workers (and of employers) to associate freely in organizations of their own choosing, free from government domination.

In line with the efforts of the United States to bring about active day-to-day cooperation in the activities of international organizations, representatives of the International Labor Organization and the Council of the Organization of American States have negotiated an agreement establishing working relations between the two organizations. It is anticipated that this agreement will be the foundation for mutual cooperation in the common work of the two organizations in the Western Hemisphere.

The Governing Body will have before it various proposals of the Director-General with respect to an International Labor Organization technical assistance program as well as plans for integrating this program with the over-all United Nations program.

Draft International Covenant on Human Rights

The United States has submitted to Secretary-General Lie its observations on the draft international covenant on human rights, in accordance with the request of the Commission on Human Rights for the comments of all United Nations members by January 1, 1950. The United States attaches great importance to the completion of the covenant at the next session of the Commission, which will convene March 27, 1950, in order that it may be forwarded first to the Economic and Social Council and then to the 1950 session of the General Assembly for consideration and final approval.

The United States has proposed for inclusion in the covenant a comprehensive article on its implementation, which provides that any state party to the covenant may raise the question of violation of the covenant if it "considers that another State Party is not giving effect to a provision of the Covenant." Under the implementation mechanism proposed, it is contemplated that the states involved would initially undertake a settlement between them. If this should fail, either state would have the right to refer the al-

leged violations to a Human Rights Committee of five persons chosen "for their high moral character and suitable ability" to serve in their personal capacities, which would be established under procedures set forth in our proposal. The Committee would have authority to call for relevant information from any state concerned, request advisory opinions from the International Court of Justice, through the Human Rights Commission, and would report its findings of fact not later than 2 years after its first meeting.

The United States has also proposed for inclusion in the covenant, in conformity with the recent General Assembly recommendation, an article on freedom of information which would be so worded as to provide the right to be free from governmental interference "to hold opinions, to seek, receive and impart information, opinions and ideas, regardless of frontiers, through speech, press, art or any other media." This article also includes a general limitation clause, instead of a detailed listing of specific exceptions. The United States believe that this is the only practicable way of handling the question of limitations on freedom of information, if agreement is to be obtained and if the article is not to become one on the restriction of information.

Another article of particular interest to the United States is that known as the federal-state provision, which has not yet been incorporated in the Commission draft. A number of member states, including the United States, have a form of constitutional government that reserves to their constituent states certain powers of government. Under the proposed federal-state provision, the obligation of the United States would be limited to matters within the Federal Government's jurisdiction. Where it is determined by appropriate constitutional processes that the Covenant involves matters within the concern of the constituent states, the Federal Government would undertake to recommend to those states the incorporation of the provisions of the Covenant in their basic law.

The United States feels that the inclusion of economic and social rights in the covenant would seriously prejudice its completion by the Commission on Human Rights at its next session. The United States, however, has included language recognizing economic and social rights as a part of human rights in its suggested preamble to the covenant.

Bodies and Posts Established by Fourth Session of General Assembly¹

SEPTEMBER 20-DECEMBER 10, 1949

Body or Post	Membership	Doc. No.	Approved
1. U.N. Commission on Korea (Reestablished with a change in membership).	Australia, China, El Salvador, France, India, Philippines, Turkey.	A/1039-----	233d meeting, Oct. 21.
2. U.N. Special Committee on the Balkans (Reestablished with same membership).	Australia, Brazil, China, France, Mexico, Netherlands, Pakistan, United Kingdom, United States, (Poland and the Union of Soviet Socialist Republics declined participation).	A/1117-----	245th meeting, Nov. 18.
3. U.N. Commissioner in Libya-----	-----	A/1124-----	250th meeting, Nov. 21.
Commissioner Elected-----	Adrian Pelt (Netherlands)-----	A/PV/276-----	276th meeting, Dec. 10.
4. U.N. Council for Libya-----	Egypt, France, Italy, Pakistan, United Kingdom, United States, one representative of people of each of 3 regions in Libya and one representative of minorities in Libya.	A/1124-----	250th meeting, Nov. 21.
5. U.N. Commission for Eritrea-----	Guatemala, Burma, Norway, Pakistan, Union of South Africa.	A/1124-----	250th meeting, Nov. 21.
6. U.N. Advisory Council for Somaliland.	Colombia, Egypt, Philippines-----	A/1124-----	250th meeting, Nov. 21.
7. Interim Committee of the General Assembly (Reestablished without time limit provision).	Total U.N. membership declined participation: Byelorussian S.S.R., Czechoslovakia, Poland, Ukrainian S.S.R., Union of Soviet Socialist Republics, Yugoslavia.	A/1125-----	250th meeting, Nov. 21.
8. U.N. Field Service-----	Approved in principle and noted the Sec's intention to establish same.	A/1130-----	252d meeting, Nov. 22.
9. U. N. Panel of Field Observers-----	Requested Sec to establish Panel-----	A/1130-----	252d meeting, Nov. 22.
10. U. N. Headquarters Advisory Committee (Reestablished with same membership as last year).	Australia, Belgium, Brazil, Canada, China, Colombia, France, Greece, India, Norway, Poland, Syria, Union of Soviet Socialist Republics, United Kingdom, United States, Yugoslavia.	A/1141-----	255th meeting, Nov. 24.
11. U. N. Administrative Tribunal-----	Adopted in principle-----	A/1142-----	255th meeting, Nov. 24.
Appointment of members of the Administrative Tribunal.	Appointed following members on recommendation of Committees: 3-Year Term: Madame Paul Bastid (France), Maharaja Jam Shri Digvijayasinh Sahib (India), M. Omar Loutfi (Egypt). 2-Year Term: Rowland Egger (U. S.), Dr. Emilio Oribe (Uruguay). 1-Year Term: Sir Sidney Caine (U. K.), Dr. Vladimir Outrata (Czechoslovakia).	A/1243-----	274th meeting, Dec. 9.
12. High Commissioner's Office for Refugees.	(High Commissioner to be elected by the General Assembly on nomination by Sec for term of 3 years beginning 1/1/51).	A/1199-----	265th meeting, Dec. 3.

Body or Post	Membership	Doc. No.	Approved
13. Special Committee on information transmitted under article 73 (e).	Established for a 3-year period..... Following members elected by Committee 4 on behalf of General Assembly: 3-Year Term: Egypt, India, Brazil, U. S. S. R. 2-Year Term: Mexico, Philippines. 1-Year Term: Venezuela, Sweden. Members Transmitting Information: Australia, Belgium, Denmark, France, Netherlands, New Zealand, United Kingdom, United States. (Director to be appointed by Srg).....	A/1186..... A/1214.....	263d meeting Dec. 2. 274th meeting Dec. 9.
14. U.N. Relief and Works Agency for Palestine Refugees in the Near East. Advisory Commission of the U.N. Relief and Works Agency for Palestine Refugees in the Near East.	France, Turkey, United Kingdom, United States, (3 additional members may be elected by the Advisory Commission).	A/1237..... A/1237.....	273d meeting, Dec. 8. 273d meeting, Dec. 8.
<i>Elections to Previously Established Organs</i>	<i>Membership</i>	<i>Doc. No.</i>	<i>Approved</i>
1. Election of three nonpermanent members of the Security Council.	Ecuador, India, Yugoslavia.....	A/PV/231.....	231st meeting, Oct. 20.
2. Election of six members to the Economic and Social Council.	Mexico, Iran, United States, Pakistan, Canada, Czechoslovakia.	A/PV/231.....	231st meeting, Oct. 20.
3. Election of three members to the Trusteeship Council.	Dominican Republic (to complete unexpired term of Costa Rica), Argentina, Iraq.	A/PV/231.....	231st meeting, Oct. 20.
4. Vacancies in membership of Advisory Committee on Administrative and Budgetary Questions.	William O. Hall (U.S.), Olyntho P. Machado (Brazil), Sir William Mathews (U.K.).	A/1135.....	255th meeting, Nov. 24.
5. Vacancies in the membership of the Committee on Contributions.	Frank Pace (U.S.), Mitchell W. Sharp (Canada), Kan Lee (China).	A/1136.....	255th meeting, Nov. 24.
6. A Vacancy in the membership of the Board of Auditors.	Auditor General of Canada.....	A/1137.....	255th meeting, Nov. 24.
7. Vacancies in the membership of the U. N. Staff Pension Committee.	R. T. Cristobal (Philippines), E. Holte-Costello (Colombia), Nikolai Klimou (U.S.S.R.). Alternates: Miss Carol Laise (U.S.), Dr. A. Nass (Venezuela), P. Ordonneau (France).	A/1139.....	255th meeting, Nov. 24.
8. Vacancy in the membership of the Investments Committee.	Ivar Rooth (Sweden).....	A/1140.....	255th meeting, Nov. 24.

¹ For information on the third session, see BULLETIN of Jan. 16, 1949, p. 72, and Aug. 29, 1949, p. 289.

Programs for Non-Self-Governing Areas in the Pacific

The completion of a project on exchange of epidemiological information among the 15 non-self-governing territories of the South Pacific was one of the accomplishments of the recent meeting of the South Pacific Commission.

At its fourth session from October 22-31 at Nouméa, New Caledonia, the Commission reviewed the progress on 30 research projects that it had undertaken last May on the health, economic, and social development of that region.

The Commission instructed the Secretary-General to prepare a draft program for technical assistance. Such a program is to be based ini-

ally on any need as may be found to reinforce any of the 30 approved projects in the Commission's existing program.

Although the projected program for technical assistance will deal comprehensively with the long-term needs of the area, each participating government will make its applications for technical assistance for such territories to the United Nations or other authority administering the program.

An agreement between the participating governments provided for the South Pacific Conference that will have advisory powers auxiliary to

the Commission. The first session of the Conference will be held at Nasinu, Suva, on April 24, 1950. Representatives from the following territories will attend the Conference: Papua, New Guinea, Nauru, New Caledonia and dependencies, French Oceania, Netherlands New Guinea, Western Samoa, Cook Islands (including Niue), Fiji, British Solomon Islands, Gilbert Islands, Ellice Islands, American Samoa, New Hebrides, Tokelau Islands, and Kingdom of Tonga.

The Commission also made progress in such projects as the investigation to discover a suitable infant food; introduction of new economic plants, with introduction centers in Fiji, New Caledonia, Papua, and Netherlands New Guinea, and the improvement of productivity of atoll islands; surveys by experts of social anthropology and linguistics with emphasis on practical application of the results; a filariasis survey; the problem of illiteracy; plans for the establishment of centralized technical institutions and the use of films and other visual aids in education; a pilot survey to determine methods of land usage that will begin soon in New Caledonia; and arrangements for a scheme of community development under trained native leadership, a start of which will be made in January on Moturiki, one of the Fiji Islands.

The Commission, in recognizing the importance of disseminating information throughout the territories, decided to issue quarterly bulletins that would report primarily upon progress made in the implementation of the Commission's work program.

Attending the fourth session were representatives of the participating governments: Australia, France, the Netherlands, New Zealand, the United Kingdom, and the United States.

The fifth session of the South Pacific Commission will be held at Suva, Fiji, in May 1950, immediately following the first South Pacific Conference.

U. S. Delegation to 110th Session ILO Governing Body

On December 23, the Department of State announced that the President has designated Arnold L. Zempel, Executive Director, Office of International Labor Affairs, Department of Labor, and Walter M. Kotschnig, Director, Office of United Nations Economic and Social Affairs, Department of State, as substitute and alternate substitute representatives, respectively, of the United States Government to the 110th session of the governing body of the International Labor Office, to be held at Mysore, India, December 29, 1949, through January 7, 1950. Named to serve as adviser on the delegation is Philip B. Sullivan,

Labor Adviser, Bureau of Far Eastern Affairs, Department of State.

In addition to the persons designated to represent the United States Government at this session, George Philip Delaney, International Representative, American Federation of Labor, one of eight worker members of the Governing Body, and Charles E. Shaw, Manager, Employee Relations Overseas, Standard Oil Company of New Jersey, serving as substitute for one of the eight employer members, will also attend the 110th session of the Governing Body.

The agenda for this session of the Governing Body contains 26 items, ranging from examination of reports of the Director-General and those of all standing and special committee meetings submitted since the Thirty-second Conference of the International Labor Organization, to a determination of agenda, dates, and location of future ILO meetings.

United Nations Documents: A Selected Bibliography¹

Signatures, Ratifications, Acceptances, Accessions, etc. concerning the Multilateral Conventions and Agreements in respect of which the Secretary-General acts as Depository. November 15, 1949 vii. 1949.V9. 130 pp. Printed. \$1.25.

General Assembly, Official Records: Fourth Session

Report of the Special Committee on Methods and Procedures of the General Assembly. Supplement No. 12. A/937 vi. 23 pp. Printed. 25¢.

United Nations Field Service. Report of the Special Committee on a United Nations Guard. Supplement No. 13. A/959 iii. 10 pp. Printed. 10¢.

General Assembly

Report of the Trusteeship Council. Report of the Fourth Committee. A/1028, October 20, 1949. 28 pp. mimeo. Assistance to Palestine Refugees. Report of the Secretary-General. A/1060, November 4, 1949. 71 pp. mimeo. A/1060/Add. 1, November 4, 1949. 19 pp. mimeo.

Economic Development of Under-Developed Countries. Report of the Second Committee. A/1064, November 7, 1949. 17 pp. mimeo.

Palestine. Protection of Holy Places. Letter from the United Nations Conciliation Commission for Palestine to the Secretary-General . . . A/1113, November 18, 1949. 9 pp. mimeo.

Report of the International Law Commission. Report of the Sixth Committee. A/1196, December 3, 1949. 21 pp. mimeo.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Palestine. Report of the *Ad Hoc* Political Committee. A/1222, December 7, 1949. 16 pp. mimeo.
Budget Estimates for the Financial Year 1950. Report of the Fifth Committee. A/1232, December 8, 1949. 83 pp. mimeo. United Nations Conciliation Commission for Palestine. Fifth Progress Report. A/1252, December 14, 1949. 7 pp. mimeo.

Security Council

Letter Dated 23 September 1949 from the Secretary-General to the President of the Security Council Transmitting the Fourth Progress Report of the United Nations Conciliation Commission for Palestine. [A/992, 14 pp. mimeo.] S/1396, September 26, 1949. 1 p. mimeo.

Letter from the Chairman of the United Nations Commission for India and Pakistan to the Secretary-General of the United Nations Introducing the Commission's Third Interim Report. S/1430, December 9, 1949. ii, 88 pp. mimeo. S/1430/Add. 1, December 9, 1949, containing 53 annexes.

Letter Dated 30 November 1949 from the Representatives of the United Kingdom and the United States to the President of the Security Council, Transmitting the Report of the Administration of the British-United States Zone of the Free Territory of Trieste, 1 July-30 September 1949. S/1424, November 30, 1949. 44 pp. mimeo.

THE DEPARTMENT

Edward W. Barrett Nominated Assistant Secretary for Public Affairs

The President announced on December 31 that he would send to the Senate the nomination of Edward Ware Barrett to be Assistant Secretary of State.

Following confirmation, Mr. Barrett will serve as Assistant Secretary for Public Affairs, succeeding George V. Allen, who resigned on November 29, 1949, to become United States Ambassador to Yugoslavia.

As Assistant Secretary for Public Affairs, Mr. Barrett will be responsible for advising the Secretary on public opinion factors in the development of policies and programs; for conducting the international information and educational exchange programs of the Department; for keeping the United States public informed on international affairs; for United States participation in the United Nations Educational, Scientific and Cultural Organization (UNESCO); for the Department's publications and historical research programs; for supporting United States policies and actions relating to freedom of information; and for developing policies relating to frequency aspects of international broadcasting.

January 9, 1950

Appointment of Officers

Burton Y. Berry as Director of African and Near Eastern Affairs, effective October 24, 1949.

THE CONGRESS

Legislation

Regulation of Whaling. Hearing before a Subcommittee of the Committee on Interstate and Foreign Commerce, United States Senate, Eighty-first Congress, First Session, on S. 2080, a bill to authorize the regulation of whaling and to give effect to the international convention for the regulation of whaling signed at Washington under date of December 2, 1946, by the United States and certain other Governments, and for other purposes. July 20, 1949. iii, 58 pp.

Joint Development of Hydroelectric Power at Falcon Dam on Rio Grande—United States and Mexico. Hearing before a Special Subcommittee of the Committee on Foreign Affairs, House of Representatives, Eighty-first Congress, First Session, on H.R. 5773, a bill to authorize the carrying out of the provisions of article 7 of the treaty of February 3, 1944, between the United States and Mexico, regarding the joint development of hydroelectric power at Falcon Dam, on the Rio Grande, and for other purposes. August 17, 1949. iii, 16 pp.

Mutual Defense Assistance Act of 1949. Hearings before the Committee on Foreign Affairs, House of Representatives, Eighty-first Congress, First Session, on H.R. 5748 and H.R. 5895, a bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations. July 28, 29, August 1, 2, 5, and 8, 1949. iv, 364 pp.

Military Assistance Program. Joint Hearings before the Committee on Foreign Relations and the Committee on Armed Services, United States Senate, Eighty-first Congress, First Session, on S. 2388, a bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations. August 8, 9, 10, 11, 17, 18, and 19, 1949. iv, 252 pp.

Cooperative for American Remittances to Europe, Inc. Hearings before a Special Subcommittee of the Committee on Foreign Affairs, House of Representatives, Eighty-first Congress, First Session, on H.R. 5953, a bill to authorize contributions to Cooperative for American Remittances to Europe, Inc. August 23, 1949. iii, 64 pp.

Export-Import Bank Loan Guaranty Authority. Hearings before the Committee on Banking and Currency, House of Representatives, Eighty-first Congress, First Session, on H.R. 5594, a bill to amend the Export-Import Bank Act of 1945, as amended, to vest in the Export-Import Bank of Washington the Power to Guarantee United States Investments Abroad. August 17, 19, 22, 23, and 24, 1949. iii, 160 pp.

International Wheat Agreement Funds. Hearings before a Subcommittee of the Committee on Agriculture and Forestry, United States Senate, Eighty-first Congress, First Session, on S. 2287 and S. 2383, bills to give effect to the International Wheat Agreement signed by the United States and other countries relating to the stabilization of supplies and prices in the international wheat market. September 21 and 22, 1949. iii, 52 pp.

Report on the Congress of American Women. October 23, 1949. iv, 114 pp.

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Contributor

C. W. Nichols, author of the article on the tin study group, is adviser, Economic Resources and Security Staff, Department of State. Mr. Nichols has served on the United States delegation of various meetings of the International Tin Study Group and its working parties.